



PEOPLE matter



Shared parental leave – what you need to know

The idea was conceived, gestated in Parliament and will be born on 1 December. Shared parental leave will shake up parental rights, so you need to get your head around it. Let's get you started.

What is shared parental leave? It's the right of parents, but not the obligation, to split 52 weeks of parental leave between themselves – as they see fit. The Mother must take the statutory leave after birth (normally two weeks, but for factory workers four). The remaining leave can be split - taken in turn or together - with eight weeks' notice given. A parent can request leave in on/off blocks but you do not have to grant this. Only the Mother is entitled to the six weeks 90% of salary payment, with the remaining leave paid at the statutory rate.

When will it affect us? The law comes into force on 1 December 2014 but will only start affecting parents of babies born after 5 April 2015.

Who does it apply to? Broadly speaking, this will apply to parents and adoptive parents employed for 26 weeks or more.

How should I handle it? All employers need to develop a clearly worded policy. Much of the administrative burden will actually fall on the employees: requesting leave within required timescales and co-ordinating between employers. You will be entitled to see the birth certificate and details of the partner's employer and NI Number. Communication between you and your employees will be key. Contact The HR Dept to stop this becoming a nightmare.

An unusual doctor's note

From shared maternity leave to shared maternity symptoms! The curious case of 29 year-old Harry Ashby caught our eye recently, and gives us an excellent excuse to recap some of the rules on statutory sick pay. Mr Ashby was signed off work by his GP with the little known Couvade Syndrome. That is, he has developed many of the symptoms of his pregnant fiancée including morning sickness, cravings for fatty foods and enlarged breasts! He may be the first person to receive a doctor's note (and time off) for this condition. Statutory sick pay is £87.55 a week, payable for up to 28 weeks, after four continuous days of sickness. Mr Ashby is receiving the sympathy of his fiancée although we would not like to speculate for how long.



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People Matter is a regular bulletin for business owner/managers who want the staff, but don't want the hassle of dealing with all the red tape that comes with them.

If this was forwarded to you, and you'd like to receive more bulletins on getting more from your team, please email with 'People Yes' in the subject line. If you no longer wish to receive bulletins from us, please email with 'People No' in the subject line.

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National minimum wage rises

October means time for National Minimum Wage (NMW) changes to come into effect. Are there any Halloween frights this year? Not really. Labour may be promising to raise it to £8 by 2020 (if elected), but for now the increase is more modest. The NMW rises from £6.31 to £6.50 per hour, while the youth rate goes from £5.03 to £5.13. For 16-17 year olds it increases from £3.72 to £3.79 and for apprentices it rises 5p to £2.73. For help with your payroll or NMW obligations please call The HR Dept today.

When to use 'garden leave'

One of the most frequent questions we are asked on our advice line is "How do I handle resignations?" Well, you have three options when an employee resigns (or is dismissed). The first is to make them work their notice. Often, if the move is amicable, this works well. They part on good terms and you have time to prepare. The other options require the notice clause in the employment contract to include specific points. "Pay in lieu of notice" is when the employer feels it is best to accept a resignation with immediate effect or, having followed the correct process, dismisses the employee that day. The employee is paid their contractual notice – subject to normal payroll deductions – and employment stops immediately. The third option causes most confusion: Garden leave. The term originated in the British Civil Service where employees could request special leave for exceptional purposes. "Garden leave" became a euphemism for "suspended": as an employee formally suspended pending an investigation would often request to be away on special leave instead. Employees receive normal pay during garden leave and must adhere to their conditions of employment. Nowadays if an employee is suspended they can be called in for interview to quicken the process. Suspension though should only be used for serious cases – like fraud or bullying – where the business or others may be at risk. However, when key personnel resign, particularly to join a competitor, the employer may want to use the garden leave provision in their contract. This requires the employee to stay away from the workplace and do nothing. They are paid salary and benefits and accrue holiday. They may not work for anyone else and do not have access to company data or other assets. After the garden leave any further protection like a restrictive covenant would be in place, but if contested the courts usually deduct the time spent on garden leave. For a free contract review to ensure you have these options or to discuss restrictive covenant protection contact The HR Dept.



Stay fighting fit!

New rules come into force on 1 October to further help businesses that employ military reservists. The current rules allow for a payment of up to £110 a day to be made to businesses when a military reservist is called away, as well as payments to help with retraining. The new rules see this supplemented for small and medium employers with a payment of £500 for each month that a full-time reservist is away. A lesser amount is provided for part-time workers or where a full month is not used. With the government looking to increase the number of military reservists from about 19,000 to 30,000 an increasing number of employers will face this issue. If you would like guidance on these payments or in how to handle employment of military reservists give us a call today.



Auto-enrolment: Another reason to use our payroll service

There have always been plenty of reasons to use The HR Dept payroll service. It could save you time, save you money, add expertise, let you focus on your core business, give you peace of mind. And then there is auto-enrolment – your new obligation to provide (and contribute to) a pension scheme to employees.

With staging dates (when you must start your scheme) coming thick and fast, there has never been a better time to consider outsourcing your payroll to The HR Dept. Our specialist service and software can take away most of your auto-enrolment headache – but you'll still have to budget for the contributions! Be prepared. You can find out your staging date by entering your payroll reference into the tool on The Pensions Regulator website. And to discover more about how we can help you with auto-enrolment – and all your payroll needs – just give us a call.

THE INDICATOR

Employment and litigation issues

STATUTORY PAY (next review April 2015) **Maternity/Adoption pay** – SMP/SAP is paid for 39 weeks. Pay rate for first 6 weeks of SMP: 90% of the employee's average weekly earnings. SMP remaining weeks/SAP: £138.18 or 90% of average weekly earnings, whichever is less.

Sick pay (SSP) – £87.55 per week provided employees meet criteria.

REDUNDANCY PAY (next review April 2015)

Pay rate – 0.5 week's pay for each year of service for employees aged under 22 (1 week's pay is calculated at £464 or the weekly amount if it is less. 1 week's pay for each year of service for employees between the ages of 22 and 40. 1.5 week's pay for each year of service for employees aged 41 and older.

NATIONAL MINIMUM WAGE (next review October 2015) **Hourly pay rate** – £6.50 for workers aged 21 and over, £5.13 for workers aged 18 to 20, and £3.79 for workers aged 16 to 17. Apprentice minimum wage £2.73 per hour (apprentices under 19 or 19 and over who are in the first year of apprenticeship).